GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1984
ANSWERED ON:07.03.2000
PSU(S) IN DRUG SECTOR
NAMDEO HARBAJI DIWATHE

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) Whether some of the PSUs in Drug Sector are proposed to be privatized ;

(b) If so, the reasons for the chronic sickness of the units, PSU-wise; and

(c) The financial implications of the revival/privatization of the PSUs and present status of proposals in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) & (c) : All the Central PSUs in the pharmaceutical sector have been declared sick by the Board for Industrial and Financial Reconstruction (BIFR).The future of these companies except Bengal Chemicals & Pharmaceuticals Ltd. would be determined by the proceedings and the final decision of the BIFR in terms of the Sick Industrial Companies (Special Provisions) Act, 1985. In the case of BCPL, the rehabilitation package approved by the BIFR is under implementation.
(b) There is an element of commonality in the reasons for the chronic sickness of the Pharmaceuticals PSUs.These reasons are the severe competition from private sector, large employee related costs, inability of the Government to extend Budgetary support and a heavy burden of various social overheads.